

**VILLAGE OF WILLIAMSVILLE,
NEW YORK**

*Basic Financial Statements, Required Supplementary
Information and Supplementary Information
for the Year Ended May 31, 2021 and
Independent Auditors' Reports*

VILLAGE OF WILLIAMSVILLE, NEW YORK
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Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Honorable Board of Trustees
Village of Williamsville, New York:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Williamsville, New York (the "Village"), as of and for the year ended May 31, 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The Village's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village, as of May 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, during the year ended May 31, 2021, the Village implemented Governmental Accounting Standards Board (“GASB”) Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management’s Discussion and Analysis and other Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village’s basic financial statements. The Supplementary Information, as listed in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The Supplementary Information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information, as listed in the table of contents, is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2021 on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Drescher & Malecki LLP

November 1, 2021

VILLAGE OF WILLIAMSVILLE, NEW YORK
Management's Discussion and Analysis
Year Ended May 31, 2021

As management of the Village of Williamsville, New York (the "Village"), we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the year ended May 31, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the Village's financial statements and notes to the financial statements, which follow this narrative. For comparative purposes, certain items from the prior year have been reclassified to conform with the current year presentation.

Financial Highlights

- The assets and deferred outflows of resources of the Village exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$12,840,077 (*net position*). This consists of \$11,152,073 net investment in capital assets, \$3,467,069 restricted for specific purposes, and unrestricted net position of \$(1,779,065).
- The Village's total net position increased \$1,824,069 during the year ended May 31, 2021.
- At the close of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$6,504,217, an increase of \$1,377,128 in comparison with the prior year's fund balance of \$5,127,089, as restated.
- At the end of the current fiscal year, *unassigned fund balance* for the General Fund was \$1,321,853, or approximately 30.4 percent of total General Fund expenditures and transfers out. This total amount is *available for spending* at the Village's discretion and constitutes approximately 21.2 percent of the General Fund's total fund balance of \$6,243,613 at May 31, 2021.
- The Village's governmental activities' total serial bonds outstanding decreased by \$545,000 due to scheduled principal payments.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements—The *government-wide financial statements* are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Village's assets, liabilities and deferred outflows/inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The statement of activities presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., earned but unused vacation leave and depreciation expense on capital assets).

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Village include general government support, public safety, transportation, economic assistance and opportunity, culture and recreation, home and community services, and interest on long-term debt. The Village reports no business-type activities.

The government-wide financial statements can be found on pages 13-14 of this report.

Fund financial statements—A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village are considered to be governmental funds.

Governmental funds—*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Village maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund, Community Development Fund, Water Fund, Sewer Fund, Debt Service Fund and Capital Projects Fund, all of which are considered to be major funds.

The basic governmental fund financial statements can be found on pages 15-18 of this report.

Notes to the financial statements—The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19-45 of this report.

Other information—In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the Village's net pension liabilities and the Village's budgetary comparison schedules for each major fund with a legally adopted budget. Required Supplementary Information and the related notes to the required supplementary information can be found on pages 46-52 of this report.

The combining balance sheet and statement of revenues, expenditures, and changes in fund balances (deficits) of the Capital Projects Fund are presented as supplementary information immediately following the Required Supplementary Information in the Supplementary Information section on pages 53-54 of this report.

Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a Village's financial position. In the case of the Village, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$12,840,077 at the close of the most recent fiscal year, as compared to \$11,016,008, as restated, at the close of the fiscal year ended May 31, 2020.

Table 1, shown below, presents a condensed statement of net position compared to the prior year.

Table 1—Condensed Statements of Net Position

	May 31,	
	2021	2020 (as restated)
Current assets	\$ 6,855,257	\$ 5,633,285
Noncurrent assets	<u>15,700,875</u>	<u>15,592,749</u>
Total assets	<u>22,556,132</u>	<u>21,226,034</u>
Deferred outflows of resources	<u>2,094,123</u>	<u>1,112,259</u>
Current liabilities	405,671	582,020
Noncurrent liabilities	<u>10,351,890</u>	<u>10,548,970</u>
Total liabilities	<u>10,757,561</u>	<u>11,130,990</u>
Deferred inflows of resources	<u>1,052,617</u>	<u>191,295</u>
Net investment in capital assets	11,152,073	10,581,042
Restricted	3,467,069	2,675,482
Unrestricted	<u>(1,779,065)</u>	<u>(2,240,516)</u>
Total net position	<u>\$ 12,840,077</u>	<u>\$ 11,016,008</u>

The largest portion of the Village's net position, \$11,152,073, reflects its investment in capital assets (e.g. land, buildings, machinery, equipment, and infrastructure), net of accumulated depreciation and less any related outstanding debt used to acquire those assets. The Village uses these capital assets to provide services to citizens. Accordingly, these assets are not available for future spending. Although the Village's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Village’s net position, \$3,467,069, represents resources that are subject to external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

The remaining balance of net position is considered to be an unrestricted net position of \$(1,779,065). This reflects long-term liabilities not related to the Village’s capital assets that will be funded annually through the funds.

Table 2, presented below, shows the changes in net position for the years ended May 31, 2021 and May 31, 2020.

Table 2—Condensed Statements of Changes in Net Position

	Year Ended May 31,	
	2021	2020
Program revenues:		
Charges for services	\$ 2,081,839	\$ 2,058,291
Operating grants and contributions	636,490	320,904
Capital grants and contributions	155,078	250,727
General revenues	4,485,510	3,284,897
Total revenues	<u>7,358,917</u>	<u>5,914,819</u>
Program expenses	<u>5,534,848</u>	<u>5,334,331</u>
Change in net position	1,824,069	580,488
Net position—beginning	11,016,008	7,970,493
Restatement	-	<u>2,465,027</u>
Net position—ending	<u>\$ 12,840,077</u>	<u>\$ 11,016,008</u>

Overall revenues increased by 24.4 percent primarily due an increase in miscellaneous revenues related to the increase in the value of the Village’s Length of Service Awards Program (“LOSAP”) assets and an increase in state aid for ongoing projects. Total program expenses increased 3.8 percent from the prior year ended May 31, 2020, primarily due to home and community projects.

A summary of sources of revenues for the years ended May 31, 2021 and May 31, 2020 is presented in Table 3 on the following page.

Table 3—Summary of Sources of Revenues

	Year Ended May 31,		Increase/(Decrease)	
	2021	2020	Dollars	Percent (%)
Charges for services	\$ 2,081,839	\$ 2,058,291	\$ 23,548	1.1
Operating grants and contributions	636,490	320,904	315,586	98.3
Capital grants and contributions	155,078	250,727	(95,649)	(38.1)
Real property taxes and tax items	2,381,239	2,027,363	353,876	17.5
Other nonproperty taxes	1,063,063	1,018,822	44,241	4.3
Use of money and property	265	18,729	(18,464)	(98.6)
Sale of property and compensation for loss	93,964	15,353	78,611	512.0
Miscellaneous	855,226	54,009	801,217	1,483.5
State aid—unrestricted	91,753	150,621	(58,868)	(39.1)
Total revenues	<u>\$ 7,358,917</u>	<u>\$ 5,914,819</u>	<u>\$ 1,444,098</u>	24.4

The Village's most significant source of revenues for the year ended May 31, 2021 were real property taxes and tax items of \$2,381,239, or 32.4 percent of total revenues, charges for services of \$2,081,839, or 28.3 percent of total revenues, and other nonproperty taxes of \$1,063,063, or 14.4 percent of total revenues. The Village's most significant sources of revenue for the year ended May 31, 2020 were charges for services of \$2,058,291, or 34.8 percent of total revenues, real property taxes and tax items of \$2,027,363, or 34.3 percent of total revenues, and other nonproperty taxes of \$1,018,822, or 17.2 percent of total revenues.

A summary of program expenses for the years ended May 31, 2021 and May 31, 2020 is presented below in Table 4.

Table 4—Summary of Program Expenses

	Year Ended May 31,		Increase/(Decrease)	
	2021	2020	Dollars	Percent (%)
General government support	\$ 1,026,853	\$ 1,085,640	\$ (58,787)	(5.4)
Public safety	748,548	788,862	(40,314)	(5.1)
Transportation	976,780	963,868	12,912	1.3
Economic assistance and opportunity	79,967	77,322	2,645	3.4
Culture and recreation	436,238	590,971	(154,733)	(26.2)
Home and community services	2,129,833	1,630,117	499,716	30.7
Interest and other fiscal charges	136,629	197,551	(60,922)	(30.8)
Total expenses	<u>\$ 5,534,848</u>	<u>\$ 5,334,331</u>	<u>\$ 200,517</u>	3.8

The Village's significant expense items for the year ended May 31, 2021 were home and community services of \$2,129,833, or 38.5 percent of total expenses, general government support of \$1,026,853, or 18.6 percent of total expenses, and transportation of \$976,780, or 17.6 percent of total expenses. Similarly, the Village's most significant expense items for the year ended May 31, 2020 were home and community services of \$1,630,117, or 30.6 percent of total expenses, general government support of \$1,085,640, or 20.4 percent of total expenses, and transportation of \$963,868, or 18.1 percent of total expenses.

Financial Analysis of the Governmental Funds

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental funds—The focus of the Village’s *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village’s financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government’s net resources available for discretionary use as it represents the portion of fund balance which has not been limited to use for a particular purpose by an external party, the Village itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Village Board.

At May 31, 2021, the Village’s governmental funds reported a combined ending fund balance of \$6,504,217, an increase of \$1,377,128 from the prior year, as restated. Excluding the Capital Projects Fund total fund balance deficit of \$(883,737), the Village’s governmental funds combined ending fund balances totaled \$7,387,954. Approximately 17.9 percent of this amount (\$1,321,853) constitutes *unassigned fund balance*, which is available for spending at the Village’s discretion. The remainder of fund balance is either *nonspendable*, *restricted* or *assigned* to indicate that it is (1) not in spendable form (\$170,922) (2) restricted for particular purposes (\$3,467,069) or (3) assigned for particular purposes (\$2,428,110).

The General Fund is the chief operating fund of the Village. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$1,321,853, while the total fund balance increased to \$6,243,613. As a measure of the General Fund’s liquidity, it may be useful to compare both the unassigned fund balance and total fund balance to total General Fund expenditures and transfers out. Unassigned fund balance represents approximately 30.4 percent of total General Fund expenditures and transfers out, while total fund balance represents 21.2 percent of that same amount. The fund balance of the General Fund increased \$1,509,811 primarily due to an unanticipated increase in miscellaneous revenues due to the increase in the value of LOSAP assets, which was reclassified as a General Fund activity following the implementation of GASB Statement No. 84.

The fund balance of the Village’s Community Development Fund increased \$1 during the year ended May 31, 2021 due to interest earnings. Total fund balance of \$3,353 is classified as restricted fund balance for the future payment of expenditures pursuant to Community Development Block Grant requirements.

The Water Fund fund balance decreased \$14,872 during the year ended May 31, 2021 as a result of normal operations. Total fund balance of \$20,134 is classified as assigned for subsequent year expenditures (\$13,674) as well as for specific Water Fund use (\$6,460).

The Sewer Fund fund balance increased \$202,194 during the year ended May 31, 2021, as a result of normal operations. Total fund balance of \$1,083,170 is classified as nonspendable (\$2,035), and assigned for subsequent year’s expenditures (\$200,000), as well as for specific Sewer Fund use (\$881,135).

The Debt Service Fund fund balance increased by \$5 during the year ended May 31, 2021 as a result of interest earnings. Total fund balance of \$37,684 is classified as restricted for the future payment of debt principal and interest.

The Village’s Capital Projects Fund fund balance deficit increased by \$320,011, primarily due to capital outlay exceeding revenues and transfers in. At May 31, 2021, a deficit of \$883,737 remains, which is anticipated to be remedied through grant revenues, long-term debt issuances, and transfers in.

General Fund Budgetary Highlights

The Village's General Fund budget generally contains budget amendments during the year. The budget is allowed to be amended upward (increased) for prior year's encumbrances since the funds were allocated under the previous year's budget, and the Village has appropriately assigned an equal amount of fund balance at year-end for this purpose. Furthermore, the budget is allowed to be amended upward (increased) for additional current year appropriations supported by an increase in budgeted revenues or appropriated fund balance. A budgetary comparison schedule within the required supplementary information section of this report has been provided to demonstrate compliance with their budget.

A summary of the General Fund results of operations for the year ended May 31, 2021 is presented below in Table 5.

Table 5—Summary of General Fund Results of Operations

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues and other financing sources	\$ 4,061,985	\$ 4,561,512	\$ 5,864,736	\$ 1,303,224
Expenditures and other financing uses	4,302,731	5,018,852	4,354,925	663,927
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ (240,746)	\$ (457,340)	\$ 1,509,811	\$ 1,967,151

Original budget compared to final budget—During the year, the Village's amended appropriations for various purposes. The primary increases were \$220,459 within transfers out to finance additional capital projects, and \$216,226 within public safety for additional repairs and maintenance costs, and \$206,011 within culture and recreation to finance additional capital projects. These increases were financed by unanticipated revenues mainly from state aid and sale of property and compensation for loss, as well as an additional appropriation of fund balance of \$216,594.

Final budget compared to actual results—A review of actual revenues and expenditures compared to the estimated revenues and appropriations in the final budget yields certain positive variances. Actual revenues and other financing sources exceeded estimated revenues by \$1,303,224, which is attributed primarily to miscellaneous revenues higher than anticipated due to an increase in the value of LOSAP assets. State aid was also higher than anticipated due to an increase in capital projects funding. Additionally, there was a \$663,927 favorable variance in actual expenditures and other financing uses compared to budgeted appropriations, primarily due to positive variances of \$150,666 in general government support, \$146,368 in public safety, and \$144,675 in culture and recreation, as a result of unanticipated savings.

Capital Asset and Debt Administration

Capital assets—The Village's investment in capital assets for its governmental activities as of May 31, 2021, amounted to \$15,700,875 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings, buildings improvements, machinery and equipment and infrastructure.

All depreciable capital assets were depreciated from acquisition date to the end of the current year.

Capital assets, net of depreciation for the governmental activities at the years ended May 31, 2021 and May 31, 2020 are presented in Table 6 below:

Table 6—Summary of Capital Assets (Net of Depreciation)

	May 31,	
	2021	2020
Land	\$ 294,427	\$ 294,427
Construction in progress	240,924	31,876
Land improvements	3,743,489	3,581,395
Buildings	24,198	68,751
Building improvements	625,827	483,921
Machinery and equipment	2,707,818	2,781,611
Infrastructure	<u>8,064,192</u>	<u>8,350,768</u>
Total	<u>\$ 15,700,875</u>	<u>\$ 15,592,749</u>

Additional information on the Village’s capital assets can be found in Note 5 of this report.

Long-term liabilities—At May 31, 2021, the Village had total bonded debt outstanding of \$4,775,000, as compared to \$5,320,000 at May 31, 2020. During the year ended May 31, 2021, the Village made scheduled principal payments of \$545,000.

A summary of the Village’s long-term liabilities at May 31, 2021 and May 31, 2020 are presented below in Table 7.

Table 7—Comparison of Long-Term Liabilities

	May 31,	
	2021	2020
Serial bonds	\$ 4,775,000	\$ 5,320,000
Premium on serial bonds	130,172	143,189.00
Compensated absences	113,742	112,203
Net pension liability—ERS	3,154	777,703
Net pension liability—LOSAP	<u>5,329,822</u>	<u>4,195,875</u>
Total	<u>\$ 10,351,890</u>	<u>\$ 10,548,970</u>

Additional information on the Village’s long-term liabilities can be found in Note 10 to the financial statements.

Economic Factors

Impacted by the pandemic is the unemployment rate, which not seasonally adjusted, for the Buffalo-Niagara region during May 2021 was 5.4 percent, as compared to New York State's unemployment rate of 7.8 percent. These factors are considered in preparing the Village's budget.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Clerk-Treasurer, Village of Williamsville, 5565 Main Street, Williamsville, New York 14221.

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BASIC FINANCIAL STATEMENTS

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VILLAGE OF WILLIAMSVILLE, NEW YORK
Statement of Net Position
May 31, 2021

	<u>Primary Government Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 2,381,177
Restricted cash and cash equivalents	287,927
Restricted investments	3,193,696
Receivables	30,301
Intergovernmental receivables	941,234
Prepaid items	20,922
Capital assets not being depreciated	535,351
Capital assets, net of accumulated depreciation	<u>15,165,524</u>
Total assets	<u>22,556,132</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	84,338
Deferred outflows of resources—relating to pensions	<u>2,009,785</u>
Total deferred outflows of resources	<u>2,094,123</u>
LIABILITIES	
Accounts payable	125,447
Accrued liabilities	167,911
Intergovernmental payables	18,642
Due to retirement system	20,757
Unearned revenue	72,914
Noncurrent liabilities:	
Due within one year	548,704
Due within more than one year	<u>9,803,186</u>
Total liabilities	<u>10,757,561</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources—relating to pensions	<u>1,052,617</u>
Total deferred inflows of resources	<u>1,052,617</u>
NET POSITION	
Net investment in capital assets	11,152,073
Restricted for:	
Unemployment insurance	10,629
Debt	37,684
Community development	3,353
DPW equipment	72,124
Fire trucks	44,103
Fire equipment	105,480
LOSAP	3,193,696
Unrestricted	<u>(1,779,065)</u>
Total net position	<u>\$ 12,840,077</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF WILLIAMSVILLE, NEW YORK
Statement of Activities
Year Ended May 31, 2021

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u> <u>Revenue and Changes</u> <u>in Net Position</u>
		<u>Charges for</u> <u>Services</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Capital</u> <u>Grants and</u> <u>Contributions</u>	<u>Primary</u> <u>Governmental</u> <u>Activities</u>
Primary government:					
Governmental activities:					
General government support	\$ 1,026,853	\$ 41,296	\$ 96,828	\$ -	\$ (888,729)
Public safety	748,548	601,129	414,662	-	267,243
Transportation	976,780	-	-	155,078	(821,702)
Economic assistance and opportunity	79,967	-	-	-	(79,967)
Culture and recreation	436,238	11,160	125,000	-	(300,078)
Home and community services	2,129,833	1,428,254	-	-	(701,579)
Interest and other fiscal charges	136,629	-	-	-	(136,629)
Total primary government	<u>\$ 5,534,848</u>	<u>\$ 2,081,839</u>	<u>\$ 636,490</u>	<u>\$ 155,078</u>	<u>(2,661,441)</u>
General revenues:					
					2,381,239
					1,063,063
					265
					93,964
					855,226
					91,753
Total general revenues					<u>4,485,510</u>
					1,824,069
					<u>11,016,008</u>
					<u>\$ 12,840,077</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF WILLIAMSVILLE, NEW YORK
Balance Sheet—Governmental Funds
May 31, 2021

	<u>Special Revenue</u>				<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Community Development</u>	<u>Water</u>	<u>Sewer</u>			
ASSETS							
Cash and cash equivalents	\$ 1,289,427	\$ -	\$ 91,077	\$ 1,000,673	\$ -	\$ -	\$ 2,381,177
Restricted cash and cash equivalents	244,941	3,353	-	-	37,684	1,949	287,927
Restricted investments	3,193,696	-	-	-	-	-	3,193,696
Receivables	30,145	-	63	93	-	-	30,301
Due from other funds	1,372,834	-	-	67,229	-	324,982	1,765,045
Intergovernmental receivables	753,438	82,824	79,413	25,559	-	-	941,234
Prepaid items	18,887	-	-	2,035	-	-	20,922
Total assets	<u>\$ 6,903,368</u>	<u>\$ 86,177</u>	<u>\$ 170,553</u>	<u>\$ 1,095,589</u>	<u>\$ 37,684</u>	<u>\$ 326,931</u>	<u>\$ 8,620,302</u>
LIABILITIES							
Accounts payable	\$ 112,645	\$ -	\$ 63	\$ 5,027	\$ -	\$ 7,712	\$ 125,447
Accrued liabilities	109,205	-	-	4,075	-	-	113,280
Due to other funds	389,371	22,608	150,000	110	-	1,202,956	1,765,045
Intergovernmental payables	18,286	-	356	-	-	-	18,642
Due to retirement system	17,643	-	-	3,114	-	-	20,757
Unearned revenue	12,605	60,216	-	93	-	-	72,914
Total liabilities	<u>659,755</u>	<u>82,824</u>	<u>150,419</u>	<u>12,419</u>	<u>-</u>	<u>1,210,668</u>	<u>2,116,085</u>
FUND BALANCES (DEFICIT)							
Nonspendable	168,887	-	-	2,035	-	-	170,922
Restricted	3,426,032	3,353	-	-	37,684	-	3,467,069
Assigned	1,326,841	-	20,134	1,081,135	-	-	2,428,110
Unassigned	1,321,853	-	-	-	-	(883,737)	438,116
Total fund balances (deficit)	<u>6,243,613</u>	<u>3,353</u>	<u>20,134</u>	<u>1,083,170</u>	<u>37,684</u>	<u>(883,737)</u>	<u>6,504,217</u>
Total liabilities and fund balances (deficit)	<u>\$ 6,903,368</u>	<u>\$ 86,177</u>	<u>\$ 170,553</u>	<u>\$ 1,095,589</u>	<u>\$ 37,684</u>	<u>\$ 326,931</u>	<u>\$ 8,620,302</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF WILLIAMSVILLE, NEW YORK
Reconciliation of the Balance Sheet—Governmental Funds
to the Government-wide Statement of Net Position
May 31, 2021

Amounts reported for governmental activities in the statement of net position (page 13) are different because:

Total fund balances (deficit)—governmental funds (page 15)		\$ 6,504,217
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund statements. The cost of the assets is \$27,901,360 and the accumulated depreciation is \$12,200,485.		15,700,875
Deferred charges associated with refunding bond issuances are not reported in the governmental funds. The charges are reported as a deferred outflow of resources on the statement of net position, and are recognized as a component of interest expense over the life of the related debt.		84,338
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the fund statements:		
Deferred outflows related to employer contributions	\$ 109,957	
Deferred outflows related to experience, changes in assumptions and investment earnings	1,899,828	
Deferred inflows of resources related to pension plans	<u>(1,052,617)</u>	957,168
Net accrued interest expense for general obligation bonds is not recorded in the funds.		(54,631)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. The effects of these items are:		
Serial bonds	\$ (4,775,000)	
Unamortized bond premiums	(130,172)	
Compensated absences	(113,742)	
Net pension liability—ERS	(3,154)	
Net pension liability—LOSAP	<u>(5,329,822)</u>	<u>(10,351,890)</u>
Net position of governmental activities		<u>\$ 12,840,077</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF WILLIAMSVILLE, NEW YORK
Statement of Revenues, Expenditures, and Changes in
Fund Balances (Deficit)—Governmental Funds
Year Ended May 31, 2021

	Special Revenue						Total Governmental Funds
	General	Community Development	Water	Sewer	Debt Service	Capital Projects	
REVENUES							
Real property taxes	\$ 2,345,391	\$ -	\$ -	\$ 22	\$ -	\$ -	\$ 2,345,413
Real property tax items	35,826	-	-	-	-	-	35,826
Nonproperty tax items	1,063,063	-	-	-	-	-	1,063,063
Departmental income	211,318	-	273,383	1,154,871	-	-	1,639,572
Intergovernmental charges	392,481	-	-	-	-	-	392,481
Use of money and property	165	1	7	87	5	-	265
Licenses and permits	24,840	-	-	-	-	-	24,840
Fines and forfeitures	24,946	-	-	-	-	-	24,946
Sale of property and compensation for loss	93,964	-	-	-	-	-	93,964
Miscellaneous	807,836	-	-	47,390	-	-	855,226
State aid	780,331	-	-	-	-	18,415	798,746
Federal aid	17,714	66,861	-	-	-	-	84,575
Total revenues	<u>5,797,875</u>	<u>66,862</u>	<u>273,390</u>	<u>1,202,370</u>	<u>5</u>	<u>18,415</u>	<u>7,358,917</u>
EXPENDITURES							
Current:							
General government support	823,936	-	-	35,215	-	-	859,151
Public safety	849,020	-	-	-	-	-	849,020
Transportation	391,646	-	-	-	-	-	391,646
Economic assistance and opportunity	68,013	-	-	-	-	-	68,013
Culture and recreation	407,263	-	-	-	-	-	407,263
Home and community services	623,559	-	190,922	798,835	-	-	1,613,316
Employee benefits	380,760	-	-	60,077	-	-	440,837
Debt service:							
Principal	-	-	-	-	545,000	-	545,000
Interest and other fiscal charges	-	-	-	-	160,194	-	160,194
Capital outlay	-	-	-	-	-	647,349	647,349
Total expenditures	<u>3,544,197</u>	<u>-</u>	<u>190,922</u>	<u>894,127</u>	<u>705,194</u>	<u>647,349</u>	<u>5,981,789</u>
Excess (deficiency) of revenues over expenditures	<u>2,253,678</u>	<u>66,862</u>	<u>82,468</u>	<u>308,243</u>	<u>(705,189)</u>	<u>(628,934)</u>	<u>1,377,128</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	66,861	-	-	-	705,194	308,923	1,080,978
Transfers out	(810,728)	(66,861)	(97,340)	(106,049)	-	-	(1,080,978)
Total other financing sources (uses)	<u>(743,867)</u>	<u>(66,861)</u>	<u>(97,340)</u>	<u>(106,049)</u>	<u>705,194</u>	<u>308,923</u>	<u>-</u>
Net change in fund balances (deficit)	1,509,811	1	(14,872)	202,194	5	(320,011)	1,377,128
Fund balances (deficit)—beginning, as restated	4,733,802	3,352	35,006	880,976	37,679	(563,726)	5,127,089
Fund balances (deficit)—ending	<u>\$ 6,243,613</u>	<u>\$ 3,353</u>	<u>\$ 20,134</u>	<u>\$ 1,083,170</u>	<u>\$ 37,684</u>	<u>\$ (883,737)</u>	<u>\$ 6,504,217</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF WILLIAMSVILLE, NEW YORK
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances (Deficit)—Governmental Funds to the Government-wide Statement of Activities
Year Ended May 31, 2021

Amounts reported for governmental activities in the statement of activities (page 14) are different because:

Net change in fund balances (deficit)—total governmental funds (page 17) \$ 1,377,128

Governmental funds report capital asset additions as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense and loss on disposals in the current period.

Capital asset additions	\$ 1,437,468	
Depreciation expense	(1,303,877)	
Loss on disposal of capital assets	<u>(25,465)</u>	108,126

Deferred charges associated with refunding of bonds are not reported in the governmental funds. The charges are reported as a deferred outflow of resources on the statement of net position, and are recognized as a component of interest expense over the life of the related debt. (8,434)

Net differences between pension contributions recognized on the fund financial statements and the government-wide financial statements are as follows:

Village pension contributions	\$ 321,507	
Cost of benefits earned net of employee contributions	<u>(91,085)</u>	(230,422)

Governmental funds report retained percentages expenditures on construction contracts when such retained percentage is paid. However, in the statement of activities retained percentages on construction contracts is reported as an expense as it accrues. 2,211

In the statement of activities, interest expense is recognized as it accrues, regardless of when it is paid. 18,982

The issuance of long-term debt (e.g. serial bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred amortized into the statement of activities. Additionally, in the statement of activities, certain operating expenses are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). The net effect of these differences in the treatment of long-term debt and the related items is as follows:

Repayment of serial bonds	\$ 545,000	
Amortization of bond premium	13,017	
Change in compensated absences	<u>(1,539)</u>	<u>556,478</u>

Change in net position of governmental activities \$ 1,824,069

The notes to the financial statements are an integral part of this statement.

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VILLAGE OF WILLIAMSVILLE, NEW YORK
Notes to the Financial Statements
Year Ended May 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Village of Williamsville, New York (the "Village") have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Village's accounting policies are described below.

Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Village. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Village reports no fiduciary activities, business-type activities or component units.

Reporting Entity

The Village, which was established in 1850, is a unit of local government created by the State of New York. The Village operates under provisions of New York State law and with authority vested by those statutes. The five-member Village Board is the legislative body responsible for overall operations. The Mayor serves as the Chief Executive Officer. The Clerk-Treasurer serves as Chief Fiscal Officer.

Independently elected officials of the Village include:

Mayor
Trustees (4)
Village Justice

All governmental activities and functions performed for the Village are its direct responsibility. No other governmental organizations have been included or excluded from the reporting entity.

The following basic services are provided: fire protection, highway maintenance, sewer, street lighting, parks, justice court and general administration. The Village's water services were transferred from the Village to the Erie County Water Authority ("ECWA") on June 2, 2014. These basic services are financed by various taxes, state and federal aid and departmental revenue (which is primarily comprised of service fees and various types of program-related).

Basis of Presentation—Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the Village's various functions. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Basis of Presentation—Fund Financial Statements

The fund financial statements provide information about the Village's funds. Separate statements for each fund category—governmental and fiduciary—are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. At May 31, 2021, all of the Village's funds are considered major funds.

The Village reports the following major governmental funds:

- *General Fund*—The General Fund constitutes the primary operating fund of the Village and includes all operations not required to be recorded in other funds. The principal source of revenue for the General Fund is real property tax.
- *Community Development Fund*—The Community Development Fund is used to record revenue related to the U.S. Department of Housing and Urban Development's Community Development Block Grant Program which is administered through the Town of Amherst, New York.
- *Water Fund*—The Water Fund is used to record all revenues and expenditures related to water services operated by ECWA. The major source of revenue for this fund is departmental income from water surcharges.
- *Sewer Fund*—The Sewer Fund is used to record all revenues and expenditures related to operation and maintenance of the Village's sewer districts. The major source of revenue for this fund is departmental income from sewer charges.
- *Debt Service Fund*—The Debt Service Fund is used to account for and report the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.
- *Capital Projects Fund*—The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of major capital facilities.

During the course of operations the Village has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. While these balances are reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In the fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pensions and claims and judgments, are recorded only when the payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, non-property taxes, franchise taxes, licenses, interest and state and federal aid associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met and the amount is received during the period of availability. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements are met and the amount is received during the period or within the availability. All other revenue items are considered to be measurable and available only when cash is received by the Village.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Cash, Cash Equivalents and Investments—The Village’s cash and cash equivalents consist of cash on hand, demand deposits, time deposits and short-term, highly liquid investments with original maturities of three months or less from the date of acquisition.

Restricted Cash and Cash Equivalents—Restricted cash and cash equivalents represent amounts to support fund balance restrictions, unearned revenue and unspent proceeds from the issuance of debt.

Restricted Investments—The Village’s restricted investments consist of annuity contracts related to the Village’s Length of Service Award Program (“LOSAP”).

Receivables—Receivables are recorded and revenues are recognized as earned. Allowances are recorded when appropriate. No allowance for uncollectable accounts has been provided since it is believed that such an allowance would not be material.

Prepaid Items—Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenses/expenditures when consumed rather than purchased.

Capital Assets—Capital assets, which include land improvements, buildings, building improvements, machinery and equipment and infrastructure assets (e.g. roads, bridges, drainage systems and similar items) are reported in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial individual cost of \$500 or \$5,000 depending on the type of asset. Such assets are recorded at historical cost or estimated historical cost, if purchased or constructed. The reported value excludes normal maintenance and repairs, which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at acquisition value. Major outlays of capital assets and improvements are capitalized as projects are completed.

Land and construction in progress are not depreciated. The other capital assets of the Village are depreciated using the straight-line method over the following estimated useful lives:

<u>Class of Assets</u>	<u>Estimated Useful Life (Years)</u>
Land improvements	20
Buildings	40
Building improvements	20
Machinery and equipment	5 - 10
Infrastructure assets	20 - 40

The *capital outlays* character classification is employed only for expenditures reported in the Capital Projects Fund. Routine capital expenditures in the General Fund and other governmental funds are included in the appropriate functional category (for example, the purchase of a new highway vehicle included as part of *expenditures—transportation*). At times, amounts reported as *capital outlays* in the Capital Projects Fund will also include non-capitalized, project-related costs (for example, furnishings).

Deferred Outflows/Inflows of Resources—In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. At May 31, 2021, the Village has two items that qualify for reporting in this category. The first item represents a deferred charge on refunding which the Village reports within its governmental activities. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded

or refunding debt. The second represents the effect of the net change in the Village's proportion of the collective net pension liability, the difference during the measurement period between the Village's contributions and its proportionate share of the total contribution to the pension systems not included in the pension expense, and any contributions to the pension systems made subsequent to the measurement date.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. At May 31, 2021, the Village has one item that qualifies for reporting in this category. This item represents the effect of the net change in the Village's proportion of the collective net pension liability and the difference during the measurement periods between the Village's contributions and its proportionate share of total contributions to the pension systems not included in pension expense and it is reported on the government-wide statements.

Net Position Flow Assumption—Sometimes the Village will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Village's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

Fund Balance Flow Assumption—Sometimes the Village will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Village's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies—Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Village itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Village's highest level of decision-making authority. The Village Board is the highest level of decision-making authority for the Village that can, by Village Board resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the Village for specific purposes, but do not meet the criteria to be classified as committed. The Village Board has by resolution authorized the Mayor and Clerk-Treasurer to assign fund balance. The Village Board may also assign fund balance, as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Revenues and Expenses/Expenditures

Program Revenues—The amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Unearned Revenue—Certain revenues have not met the revenue recognition criteria for government-wide or fund financial statement purposes. At May 31, 2021, the Village reported \$12,605, \$60,216 and \$93 of unearned revenue in the General Fund, Community Development Fund and Sewer Fund, respectively. The Village received rents, grants and charges in advance but has not performed the services, and therefore recognizes a liability.

Property Taxes—Village property taxes are levied annually on June 1. The Village tax rate is based on the amount per \$1,000 assessed valuation. Delinquent accounts of sewer billings are transferred to the Village real property tax roll annually for re-levy and collection. Taxes may be paid to the Village between June 1 and October 31.

Outstanding taxes as of November 1 are forwarded to Erie County for re-levy and collection. The County pays the Village the amount of its outstanding taxes prior to the end of the Village's fiscal year.

Compensated Absences—Pursuant to resolutions of the Village Board and contractual agreements, Village employees are granted vacation, personal leave, and sick leave and earn compensatory absences in varying amounts. Upon retirement, eligible employees qualify for payment for fractional values of unused sick leave. These payments are budgeted annually without accrual.

Payment of compensated absences recorded in the government-wide financial statements is dependent on many factors; therefore, the timing of future payments is not readily determinable. However, management believes that sufficient resources will be available for the payment of compensated absences when such payments become due.

Pension Plan—The Village is mandated by New York State law to participate in the New York State Local Employees' Retirement System ("ERS"). For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the defined benefit pension plans, and changes thereof, have been determined on the same basis as they are reported by the respective defined benefit pension plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value. More information regarding pensions is included in Note 7.

Service Awards—The Village has adopted a Length of Service Award Program ("LOSAP") for firefighters that serve on a volunteer basis. The program is administered by an outside agency, with the Village as trustee. More information is included in Note 8.

Other

Estimates—The preparation of the financial statements, in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of revenues, expenditures, assets, liabilities, deferred outflows of resources, deferred inflows of resources, and disclosure of contingent assets and liabilities

at the date of the financial statements during the reported period. Actual results could differ from those estimates.

Adoption of New Accounting Pronouncements—During the year ended May 31, 2021, the Village implemented GASB Statements No. 83, *Certain Asset Retirement Obligations*; No. 84, *Fiduciary Activities*, No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*; No. 90, *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*; No. 92, *Omnibus 2020*; and No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. GASB Statement No. 83 establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations (“AROs”). GASB Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments. GASB Statement No. 88 improves the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. GASB Statement No. 90 improves the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. GASB Statement No. 92 enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. GASB Statement No. 97 increases consistency and comparability related to the reporting of fiduciary component units, mitigates costs associated with the reporting of certain defined contribution plans and enhances the relevance, consistency and comparability of the accounting and reporting for internal Revenue Code Section 457 deferred compensation plans. Other than the matter discussed in Note 2, the implementation of GASB Statements No. 83, 84, 88, 90, 92 and 97 did not have a material impact on the Village’s financial position or results from operations.

Future Impacts of Accounting Pronouncements—The Village has not completed the process of evaluating the impact that will result from adopting GASB Statements No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*; and No. 93, *Replacement of Interbank Offered Rates*, effective for the year ending May 31, 2022, No. 87, *Leases*; No. 91, *Conduit Debt Obligations*; and No. 98, *The Annual Comprehensive Financial Report*, effective for the year ending May 31, 2023, No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*; and No. 96, *Subscription-Based Information Technology Arrangements*, effective for the year ending May 31, 2024. The Village is, therefore, unable to disclose the impact that adopting GASB Statements No. 87, 89, 91, 93, 94 and 96 will have on its financial position and results of operations when such statements are adopted.

Stewardship, Compliance and Accountability

Legal Compliance—Budgets—The Village follows these procedures in establishing the budgetary data reflected in the basic financial statements:

- No later than March 20, the budget officer prepares and files a tentative budget with the Village Clerk.
- No later than March 31, the Village Clerk submits the tentative budget to the Board of Trustees for the fiscal year commencing the following June 1. The tentative budget includes proposed expenditures and the proposed means of financing them.
- A public hearing is required to be held on or before April 15 in order to obtain taxpayer comments.

- By May 1 the Board of Trustees is required to adopt a budget and appended salary and wage schedule.
- The Village Clerk-Treasurer exercises administrative budgetary control throughout the year. Adjustment of programs or appropriations is made only after an appropriation and transfer resolution is adopted by the Board of Trustees. The Board of Trustees, pursuant to the laws of the State of New York, has the authority to establish rates for water and sewer department services.
- During the fiscal year, the Village Board can legally amend the operating budgets and is empowered to implement supplemental appropriations. Budget amendments are required for object level budgetary control. All modifications to the budget must be approved by the Village Board. Revisions to the budget were made throughout the year.

Deficit Fund Balance—At May 31, 2021, the Village’s Capital Projects Fund reported a total fund balance deficit of \$883,737. The deficit primarily occurs since certain projects are temporarily advanced funds through interfund loans. The deficit will be eliminated as resources are obtained (e.g., from grant revenues, long-term debt issuances, and transfers in).

2. RESTATEMENT OF NET POSITION/FUND BALANCE

During the year ended May 31, 2021, the Village implemented GASB Statement No. 84, *Fiduciary Activities*. The implementation of GASB Statement No. 84 establishes criteria for identifying fiduciary activities of state and local governments. This Statement also provides for the recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources.

The effect of these restatements to the Village’s governmental activities and funds are summarized as follows:

	Governmental Activities	General Fund
Net position/fund balance—May 31, 2020, as previously stated	\$ 8,550,981	\$ 2,268,775
GASB Statement No. 84 implementation	<u>2,465,027</u>	<u>2,465,027</u>
Net position/fund balance—May 31, 2020, as restated	<u>\$ 11,016,008</u>	<u>\$ 4,733,802</u>

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

The Village’s investment policies are governed by State statutes. In addition, the Village has its own written investment policy. Village monies must be deposited in FDIC-insured commercial banks or trust companies located within New York State. The Clerk-Treasurer is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, and obligations of New York State or its localities.

Collateral is required for demand deposits, time deposits and certificates of deposit at 100 percent of all deposits not covered by Federal deposit insurance. The Village has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligation that may be pledged as collateral. Obligations that may be pledged as collateral are outlined in Chapter 623 of the laws of the State of New York.

Cash and cash equivalents at May 31, 2021, are as follows:

	<u>Governmental Funds</u>
Petty cash (uncollateralized)	\$ 501
Deposits	<u>2,668,603</u>
Total	<u>\$ 2,669,104</u>

Deposits—All deposits are carried at fair value, and are classified by custodial credit risk at May 31, 2021 as follows:

	<u>Bank Amount</u>	<u>Carrying Balance</u>
FDIC insured	\$ 500,000	\$ 500,000
Uninsured:		
Collateral held by pledging bank's agent in the Village's name	<u>2,195,411</u>	<u>2,168,603</u>
Total	<u>\$ 2,695,411</u>	<u>\$ 2,668,603</u>

Custodial Credit Risk—Deposits—Custodial credit risk is the risk that in the event of a bank failure, the Village’s deposits may not be returned to it. As noted above, by New York State statute all deposits in excess of FDIC insurance coverage must be collateralized. As of May 31, 2021, the Village’s deposits were either FDIC insured or collateralized with securities held by the pledging bank’s agent in the Village’s name.

Restricted Cash, Cash Equivalents, and Investments—The Village reports unspent proceeds of debt, amounts to support restricted fund balance and unearned revenue as restricted cash and cash equivalents. At May 31, 2021, the Village reported \$287,927 of restricted cash and cash equivalents within its governmental activities.

Interest Rate Risk—In accordance with its investment policy, the Village manages exposures by limiting investments to low risk type investments governed by New York State statutes.

Restricted Investments—The Village restricted investments consist of annuity contracts related to the Village’s Length of Service Award Program (“LOSAP”), a defined benefit volunteer firefighter award program (see Note 8). These annuities are guaranteed fixed annuities, whereby the reported values are reported daily based on the valuation method disclosed in the annuity contract as calculated by the annuity provider and therefore are considered level 2 inputs for fair value measurement purposes. The interest on each annuity varies but they are all fixed rate with a guaranteed minimum rate for a specific period. The cost and fair value of the contracts amounted to \$3,193,696 as of May 31, 2021, and are recorded within the General Fund.

Fair Value Measurements—Accounting standards provide the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.
- Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The investments disclosed above consist of guaranteed fixed annuities, whereby the reported values are reported daily based on the valuation method disclosed in the annuity contract as calculated by the annuity provider and therefore are considered level 2 inputs for fair value measurement purposes. The interest on each annuity varies but they are all fixed rate with a guaranteed minimum rate for a specific period.

4. RECEIVABLES

Revenues accrued by the Village at May 31, 2021 consisted of the following:

Receivables—Represents amounts due from various sources. Receivables at May 31, 2021 are presented below:

General Fund:		
Taxes receivable	\$ 3,453	
Other receivables	<u>26,692</u>	<u>\$ 30,145</u>
Water Fund:		
Water rents receivable		<u>\$ 63</u>
Sewer Fund:		
Special assessments		<u>\$ 93</u>

Intergovernmental Receivables—Represents amounts due from other units of government, such as Federal, New York State, County of Erie, or other local governments. Intergovernmental receivables at May 31, 2021 are as shown below:

General Fund:		
Erie County - sales tax	\$ 207,391	
Erie County - mortgage tax	52,355	
New York State DASNY grant	485,000	
New York State unemployment refund	<u>8,692</u>	<u>\$ 753,438</u>
Community Development Fund:		
Town of Amherst - block grant		<u>\$ 82,824</u>
Water Fund:		
Erie County Water Authority - service charges		<u>\$ 79,413</u>
Sewer Fund:		
Town of Amherst - shared services		<u>\$ 25,559</u>

5. CAPITAL ASSETS

Capital asset activity for the Village's governmental activities for the year ended May 31, 2021 was as follows:

	Balance 6/1/2020	Additions	Deletions	Balance 5/31/2021
Capital assets, not being depreciated:				
Land	\$ 294,427	\$ -	\$ -	\$ 294,427
Construction in progress	31,876	647,349	438,301	240,924
Total capital assets, not being depreciated	<u>326,303</u>	<u>647,349</u>	<u>438,301</u>	<u>535,351</u>
Capital assets, being depreciated:				
Land improvements	4,151,375	162,094	-	4,313,469
Buildings	724,041	-	-	724,041
Building improvements	1,645,740	166,965	-	1,812,705
Machinery and equipment	6,443,085	461,060	254,764	6,649,381
Infrastructure	13,428,112	438,301	-	13,866,413
Total capital assets, being depreciated	<u>26,392,353</u>	<u>1,228,420</u>	<u>254,764</u>	<u>27,366,009</u>
Less accumulated depreciation for:				
Land improvements	569,980	-	-	569,980
Buildings	655,290	44,553	-	699,843
Building improvements	1,161,819	25,059	-	1,186,878
Machinery and equipment	3,661,474	509,388	(229,299)	3,941,563
Infrastructure	5,077,344	724,877	-	5,802,221
Total accumulated depreciation	<u>11,125,907</u>	<u>1,303,877</u>	<u>(229,299)</u>	<u>12,200,485</u>
Total capital assets, being depreciated, net	<u>15,266,446</u>	<u>(75,457)</u>	<u>25,465</u>	<u>15,165,524</u>
Total capital assets, net	<u>\$ 15,592,749</u>	<u>\$ 571,892</u>	<u>\$ 463,766</u>	<u>\$ 15,700,875</u>

Depreciation expense was charged to the functions and programs of governmental activities as follows:

General government support	\$ 67,727
Public safety	375,119
Transportation	402,121
Economic assistance and opportunity	1,059
Culture and recreation	31,991
Home and community services	425,860
Total	<u>\$ 1,303,877</u>

6. ACCRUED LIABILITIES

Accrued liabilities reported by governmental funds at May 31, 2021, were as follows:

	General Fund	Sewer Fund	Total Governmental Funds
Salaries and employee benefits	\$ 109,205	\$ 4,075	\$ 113,280

7. PENSION PLANS

Employees' Retirement System ("ERS")—The Village participates in the New York State Local Employees' Retirement System (the "System"). The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the "Fund"), which was established to hold all assets and record changes in fiduciary net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law ("NYSRSSL"). Once a public employer elects to participate in System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Village also participates in the Public Employees' Group Life Insurance Plan ("GLIP"), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The System is noncontributory, except for employees who joined after July 27, 1976 who contribute three percent (3%) of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute three percent (3%) to three and one half percent (3.5%) of their salary for their entire length of service. In addition, employee contribution rates under ERS Tier VI vary based on a sliding salary scale. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31.

Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—At May 31, 2021, the Village reported the following liability for its proportionate share of the net pension liability for the System. The net pension liability was measured as of March 31, 2021. The total pension liability used to calculate the net pension liability was determined by actuarial valuations as of April 1, 2020, with update procedures used to roll forward the total pension liability to the measurement date. The Village's proportion of the net pension liability was based on a projection of the Village's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the System in reports provided to the Village.

	ERS
Measurement date	March 31, 2021
Net pension liability	\$ 3,154
Village's portion of the Plan's total net pension liability	0.0031675%

For the year ended May 31, 2021, the Village recognized a pension expense of \$67,183 for ERS. At May 31, 2021, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ 38,519	\$ -
Changes of assumptions	579,920	10,937
Net difference between projected and actual earnings on pension plan investments	-	906,016
Changes in proportion and differences between the Village's contributions and proportionate share of contributions	21,545	24,622
Village's contributions subsequent to the measurement date	<u>20,757</u>	<u>-</u>
Total	<u>\$ 660,741</u>	<u>\$ 941,575</u>

The Village's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending May 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending May 31,	ERS
2022	\$ (56,752)
2023	(21,839)
2024	(50,484)
2025	(172,516)

Actuarial Assumptions—The total pension liability as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuation used the following actuarial assumptions:

	ERS
Measurement date	March 31, 2021
Actuarial valuation date	April 1, 2020
Interest rate	5.9%
Salary scale	4.4%
Decrement tables	April 1, 2015- March 31, 2020
Inflation rate	2.7%
Cost-of-living adjustments	1.4%

Annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System’s experience with adjustments for mortality improvements based on Society of Actuaries’ Scale MP-2020. The actuarial assumptions used in the April 1, 2020 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020.

The long-term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by each the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

Measurement date	ERS	
	Target Allocation	Long-Term Expected Real Rate of Return
	March 31, 2021	
Asset class:		
Domestic equities	32.0 %	4.1 %
International equities	15.0	6.3
Private equity	10.0	6.8
Real estate	9.0	5.0
Opportunistic portfolio	3.0	4.5
Credit	4.0	3.6
Real assets	3.0	6.0
Fixed income	23.0	0.0
Cash	1.0	0.5
Total	100.0 %	

Discount Rate—The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption—The chart below presents the Village’s proportionate share of the net pension liability/(asset) calculated using the discount rate of 5.9%, as well as what the Village’s proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage-point lower (4.9%) or one percentage-point higher (6.9%) than the current assumption.

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Employer's proportionate share of the net pension liability/(asset)	\$ 875,430	\$ 3,154	\$ (801,289)

Pension Plan Fiduciary Net Position—The components of the current-year net pension liability of the employers as of the valuation date, were as follows:

	<u>(Dollars in Thousands)</u>
	<u>ERS</u>
Valuation date	April 1, 2020
Employers' total pension liability	\$ 220,680,157
Plan fiduciary net position	<u>220,580,583</u>
Employers' net pension liability	<u>\$ 99,574</u>
System fiduciary net position as a percentage of total pension liability	100.0%

Payables to the Pension Plan—For ERS, employer contributions are paid annually based on the System’s fiscal year which ends on March 31st. Accrued retirement contributions as of May 31, 2021 represent the projected employer contribution for the period of April 1, 2021 through May 31, 2021 based on paid ERS wages multiplied by the employer’s contribution rate, by tier. Accrued retirement contributions as of May 31, 2021 amounted to \$20,757.

8. PENSION OBLIGATIONS—LOSAP

Plan Description—The Village established a defined benefit LOSAP for the active volunteer firefighters of the Village of Williamsville Volunteer Fire Department. The program took effect on January 1, 1992. The program was established pursuant to Article 11-A of the General Municipal Law. The program provides municipally-funded pension like benefits to facilitate the recruitment and retention of active volunteer firefighters. The Village is the sponsor of the program.

Certain information contained in this note is based on information for the LOSAP measured as of December 31, 2020, which is the most recent valuation date for which complete information related to the year ended May 31, 2021 is available.

Participation, Vesting and Service Credit—Active volunteer firefighters in the Village of Williamsville Volunteer Fire Department who have reached the age of eighteen and who have completed one year of firefighting service are eligible to participate in the program. Participants acquire a nonforfeitable right to a service award after being credited with five years of firefighting service, upon attaining the program’s entitlement age, becoming totally and permanently disabled or dying while an active member. The program’s entitlement age is age fifty-five. In general, an active volunteer firefighter is credited with a year of firefighting service for each calendar year after the establishment of the program in which he or she accumulates fifty points. Points are granted for the performance of certain activities in accordance with a system established by the sponsor on the basis of a statutory list of activities and point values. A participant may also receive credit for five years of firefighting service rendered prior to the establishment of the program.

Service credit is determined by the governing board of the sponsor, based on information certified to the governing board of the fire company having members who participate in the program. The fire company must maintain all required records on forms prescribed by the governing board.

Fiduciary Investment and Control—The governing board of the sponsor has retained and designated Wilmington Trust/Manufacturers and Traders Trust Co. to assist in the administration of the program. The designated program administrator’s functions include general administration in questions of

eligibility, as well as, to compute, certify, and direct the Trustee with respect to entitlement and payment of benefits. Disbursements of program assets for the payment of benefits or administrative expenses must be approved by Penflex, Inc. who calculates and certifies monthly and other lump sum amounts to be paid.

Program assets are required to be held in trust by LOSAP legislation, for the exclusive purpose of providing benefits to participants and their beneficiaries or for the purpose of defraying the reasonable expenses of the operation and administration of the program. The current trustee is Wilmington Trust/Manufacturers and Traders Trust Co.

Authority to invest program assets is vested in the Village’s Board of Trustees, subject to restrictions in the program document, program assets are invested in accordance with a statutory “prudent person” standard and the Investment Policy Statement for the LOSAP as approved by the Board of Trustees.

The sponsor is required to retain an actuary to determine the amount of the sponsor’s contributions to the plan. The actuary retained by the sponsor for this purpose is Penflex, Inc. Portions of the following information are derived from the most recent report prepared by the actuary with a valuation date of December 31, 2020.

Benefits Provided—A participant’s benefit under the program is the actuarial equivalent of a monthly payment for life equal to \$20 multiplied by the person’s total number of years of firefighting service. The number of years of firefighting service used to compute the benefit cannot exceed forty. Benefits are not payable until the first day of the month if the participant attained the entitlement age on that date or the first date of the next month, except in the case of disability or death.

Participants Covered by the Benefit Terms—At the December 31, 2020 measurement date, the following participants were covered by the benefit terms:

Inactive participants currently receiving benefit payments	41
Inactive participants entitled to but not yet receiving benefit payments	16
Active participants	<u>28</u>
Total	<u><u>85</u></u>

Contributions—New York State General Municipal Law §219(d) requires the Village to contribute an actuarially determined contribution on an annual basis. The actuarially determined contribution shall be appropriated annually by the Village.

Trust Assets—Although assets have been accumulated in an irrevocable trust such that the assets are dedicated to providing pensions to plan members in accordance with benefit terms, the trust assets are not legally protected from creditors of the Village. As such, the trust assets do not meet the criteria in paragraph 4 of GASB Statement No. 73.

Measurement of Total Pension Liability

The total pension liability at the December 31, 2020 measurement date was determined using an actuarial valuation as of that date.

Actuarial Assumptions—The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method:	Entry Age Normal
Inflation:	2.25%
Salary Scale:	None assumed

Mortality rates were based on the RP-2014 Male Mortality Table without projection for mortality improvement.

Discount Rate—The discount rate used to measure the total pension liability was 1.93%. This was the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2020. In describing this index, S&P Dow Jones Indices notes that the index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years and with a rating of at least Aa2 by Moody’s Investors Service’s, AA by Fitch, or AA by Standard & Poor’s Rating Services.

Changes in the Total Pension Liability—The following table presents the changes to the total pension liability during the fiscal year, by source.

	<u>Total Pension Liability</u>
Balance as of 12/31/2019 measurement date	\$ 4,195,875
Changes for the year:	
Service cost	54,620
Interest	135,292
Changes of assumptions or other inputs	872,105
Differences between expected and actual experience	272,810
Benefit payments	<u>(200,880)</u>
Net changes	<u>1,133,947</u>
Balance as of 12/31/2020 measurement date	<u>\$ 5,329,822</u>

Sensitivity of the Total Pension Liability to Changes in the Discount Rate—The following table presents the total pension liability of the Village as of the December 31, 2020 measurement date, calculated using the discount rate of 1.93 percent, as well as what the Village’s total pension liability would be if it were not calculated using a discount rate that is one percentage point lower (0.93 percent) or one percentage point higher (2.93 percent) than the current rate.

	1% Decrease (0.93%)	Current Discount Rate (1.93%)	1% Increase (2.93%)
Total pension liability	\$ 6,177,719	\$ 5,329,822	\$ 4,651,593

Pension Expense and Deferred Outflows of Resources Related to Pension—For the year ended May 31, 2021, the Village recognized pension expense of \$490,844. At May 31, 2021, the Village reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 339,931	\$ -
Changes of assumptions or other inputs	919,913	111,042
Benefit payments and administrative expenses subsequent to the measurement date	<u>89,200</u>	<u>-</u>
Total	<u>\$ 1,349,044</u>	<u>\$ 111,042</u>

Deferred outflows of resources related to pensions resulting from Village transactions subsequent to the measurement date will be recognized as a reduction of the total pension liability in the year ending May 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending May 31,	
2022	\$ 294,957
2023	268,480
2024	244,010
2025	259,255
2026	82,100

The Village accounts for service award program assets within its General Fund. As of May 31, 2021, program asset information was available which totaled \$3,193,696.

9. RISK MANAGEMENT

The Village is exposed to various risks of losses related to damage and destruction of assets, injuries to employees, and natural disasters. The Village purchases commercial insurance to cover such potential risks. There have not been any significant changes in any type of insurance coverage from the prior year, nor have there been any settlements which have exceeded commercial insurance coverage in the past three fiscal years.

The Village purchases various insurance policies for, but not limited to: automobile, general, employee benefits, data compromise, volunteer emergency services, owners and contractors protective, public officials, and umbrella liability. Automobile insurance is limited to \$1 million per accident. The general liability and employee benefit coverage is limited to \$1 million per occurrence, and an annual aggregate \$3 million limit. Data compromise insurance is limited to \$50,000. Volunteer emergency services and owners and contractors protective liabilities is limited to \$1 million per occurrence, and an annual aggregate \$1 million limit. Public officials liability is limited to \$1 million per occurrence, and an annual aggregate \$2 million limit. The umbrella liability insurance is limited to \$10 million per occurrence, and an aggregate \$20 million limit.

10. LONG-TERM LIABILITIES

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position.

In the fund financial statements, governmental funds recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Further, the unmatured principle of general long-term debt does not require current appropriation and expenditure of general fund financial resources.

The Village's outstanding long-term liabilities include serial bonds, premium on serial bonds, compensated absences and net pension liabilities. The serial bonds of the Village are secured by its general credit and revenue raising powers, as per New York State statute.

A summary of changes in the Village's long-term debt at May 31, 2021 is presented below:

	Balance 6/1/2020	Additions	Reductions	Balance 5/31/2021	Due Within One Year
Serial bonds	\$ 5,320,000	\$ -	\$ 545,000	\$ 4,775,000	\$ 530,000
Premium on serial bonds	143,189	-	13,017	130,172	13,017
Compensated absences	112,203	21,946	20,407	113,742	5,687
Net pension liability—ERS*	777,703	-	774,549	3,154	-
Net pension liability—LOSAP	4,195,875	1,334,827	200,880	5,329,822	-
Total	<u>\$ 10,548,970</u>	<u>\$ 1,356,773</u>	<u>\$ 1,553,853</u>	<u>\$ 10,351,890</u>	<u>\$ 548,704</u>

(*Reductions to the net pension liability are shown net of additions.)

Serial Bonds—The Village issues general obligation bonds to provide funds for the acquisition, construction and renovation of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as serial bonds with equal amounts of principal maturing each year with original maturities that range from 10 to 20 years. Principal is paid annually, interest is paid semi-annually and are recorded in the Debt Service Fund through transfers from the General Fund, Water Fund, and Sewer Fund.

A summary of additions and reductions for the year ended May 31, 2021 is presented on the following page.

Fund and Purpose	Year of Issue/Maturity	Interest Rate (%)	Original Issue Amount	Principal Outstanding 6/1/2020	Additions	Payments	Principal Outstanding 5/31/2021
General Fund:							
Storm Sewer Replacement	2007/2022	4.38-4.50	\$ 20,000	\$ 3,000	\$ -	\$ 1,500	\$ 1,500
Plow Truck	2007/2022	4.38-4.50	125,000	15,900	-	8,000	7,900
Road Reconstruction	2007/2022	4.38-4.50	135,000	18,000	-	9,000	9,000
Village Hall Windows	2007/2022	4.38-4.50	20,000	3,100	-	1,500	1,600
Fire Truck	2013/2022	3.25-4.00	470,250	350,000	-	25,000	325,000
Fire Apparatus	2013/2022	3.25-4.00	72,900	15,000	-	5,000	10,000
Street Sweeper	2013/2022	3.25-4.00	200,000	30,000	-	30,000	-
E. Spring Street	2018/2031	2.63-3.50	744,000	690,000	-	60,000	630,000
Fire Truck	2018/2039	3.13-3.52	754,000	730,000	-	25,000	705,000
Rescue Truck	2018/2039	3.13-3.52	178,000	170,000	-	10,000	160,000
DPW Equipment	2018/2039	3.13-3.52	360,000	345,000	-	20,000	325,000
Refunding - Highway Improvements 2007	2020/2031	3.75-4.00	177,774	157,129	-	19,355	137,774
Refunding - Highway Improvements 2008	2020/2031	3.75-4.00	196,606	175,961	-	19,355	156,606
Refunding - Highway Improvements 2009	2020/2031	3.75-4.00	104,614	89,130	-	14,516	74,614
Refunding - Floodgate Rehabilitation	2020/2031	3.75-4.00	36,227	30,033	-	5,806	24,227
Refunding - Highway Improvements 2010	2020/2031	3.75-4.00	170,901	146,127	-	22,258	123,869
Refunding - DPW Equipment	2020/2031	3.75-4.00	41,134	33,908	-	6,774	27,134
Highway Reconstruction 2020	2020/2030	1.25-1.70	1,100,000	1,100,000	-	105,000	995,000
Water Fund:							
Water Improvements	2004/2024	3.50-4.00	230,000	75,000	-	15,000	60,000
Stanton Waterline	2004/2024	3.50-4.00	170,000	20,000	-	10,000	10,000
Coadman Waterline	2004/2024	3.50-4.00	425,000	120,000	-	20,000	100,000
Farber/Garden Parkway	2007/2022	4.38-4.50	325,000	60,000	-	30,000	30,000
Refunding - Waterline Improvements	2020/2031	3.75-4.00	90,032	80,742	-	8,710	72,032
Sewer Fund:							
Sewer Improvements	2013/2022	3.25-4.00	410,000	290,000	-	20,000	270,000
Refunding - Sewer Improvements	2020/2031	3.75-4.00	627,712	571,970	-	53,226	518,744
Total			<u>\$ 7,184,150</u>	<u>\$5,320,000</u>	<u>\$ -</u>	<u>\$ 545,000</u>	<u>\$4,775,000</u>

Compensated Absences—As explained in Note 1, the Village records the value of compensated absences. The annual budgets of the respective funds of which the employees' payroll is recorded provide funding for these benefits as they become payable. The value recorded in the government-wide financial statements at May 31, 2021, for governmental activities is \$113,742. Since payment of compensated absences is dependent upon many factors, the timing of future payments is not readily determinable; however management has estimated the current portion of this liability to be \$5,687. Management believes that funds will be available to meet such payments as they become due.

Net Pension Liabilities—The Village reports liabilities for its proportionate share of the net pension liability for the Employees' Retirement System and LOSAP. The net pension liability related to the Employees' Retirement System is estimated to be \$3,154 and the net pension liability related to LOSAP is estimated to be \$5,329,822. Refer to Notes 7 and 8 for additional information related to the Village's net pension liabilities.

The following is a maturity schedule of the Village's indebtedness:

Year Ending May 31,	Serial Bonds	Premium on Serial Bonds	Compensated Absences	Net Pension Liability— ERS	Net Pension Liability— LOSAP	Total
2022	\$ 530,000	\$ 13,017	\$ 5,687	\$ -	\$ -	\$ 548,704
2023	470,000	13,017	-	-	-	483,017
2024	470,000	13,017	-	-	-	483,017
2025	485,000	13,017	-	-	-	498,017
2026	420,000	13,017	-	-	-	433,017
2027-2031	1,785,000	65,087	-	-	-	1,850,087
2032-2036	460,000	-	-	-	-	460,000
2037-2039	155,000	-	-	-	-	155,000
Thereafter	-	-	108,055	3,154	5,329,822	5,441,031
Total	<u>\$ 4,775,000</u>	<u>\$ 130,172</u>	<u>\$ 113,742</u>	<u>\$ 3,154</u>	<u>\$ 5,329,822</u>	<u>\$ 10,351,890</u>

Interest requirements on serial bonds payable are as follows:

Year Ending May 31,	Serial Bonds
2022	\$ 144,284
2023	127,582
2024	113,320
2025	98,889
2026	84,722
2027-2031	244,861
2032-2036	56,797
2037-2039	8,315
Total	<u>\$ 878,770</u>

11. NET POSITION AND FUND BALANCE

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

- **Net Investment in Capital Assets**—This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category. A reconciliation of the Village’s governmental activities net investment in capital assets is presented on the following page.

Capital assets, net of accumulated depreciation	\$ 15,700,875
Less:	
Serial bonds, net of water bonds	(4,502,968)
Unamortized bond premium	(130,172)
Deferred charge on refunding	<u>84,338</u>
Net investment in capital assets	<u>\$ 11,152,073</u>

- **Restricted Net Position**—This category presents external restrictions imposed by creditors, grantors, contributors or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. At May 31, 2021, the Village reported \$3,467,069 of restricted net position.
- **Unrestricted Net Position**—This category represents net position of the Village not restricted for any project or other purpose.

In the fund financial statements, nonspendable amounts represent net current financial resources that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance maintained by the Village at May 31, 2021 includes:

- **Prepaid Items**—Represents the portion of fund balance composed of prepaid expenses that are applicable to future accounting periods. The General Fund and Sewer Fund reported \$18,887 and \$2,035, respectively, of nonspendable fund balance at May 31, 2021.
- **Long-Term Receivable**—The General Fund reported \$150,000 of nonspendable fund balance at May 31, 2021 associated with amounts due from the Water Fund.

In the fund financial statements, restricted fund balances are amounts constrained to specific purposes (such as grantors, bondholders, and higher levels of government) through constitutional provisions or by enabling legislation. Restricted fund balance maintained by the Village at May 31, 2021 is shown on the following page.

	General Fund	Community Development Fund	Debt Service Fund	Total Governmental Funds
Unemployment insurance	\$ 10,629	\$ -	\$ -	\$ 10,629
Debt	-	-	37,684	37,684
Community development	-	3,353	-	3,353
DPW equipment	72,124	-	-	72,124
Fire trucks	44,103	-	-	44,103
Fire equipment	105,480	-	-	105,480
LOSAP	3,193,696	-	-	3,193,696
Total	<u>\$ 3,426,032</u>	<u>\$ 3,353</u>	<u>\$ 37,684</u>	<u>\$ 3,467,069</u>

- ***Restricted for Unemployment Insurance***—Represents funds reserved for costs associated with noninsured unemployment claims.
- ***Restricted for Debt***—Represents resources that have been legally restricted for principal and interest payments that will be made in future periods.
- ***Restricted for Community Development***—Represents resources that are restricted for expenditures pursuant to Community Development Block Grant requirements.
- ***Restricted for DPW Equipment***—Represents funds accumulated for future purchases of Department of Public Works equipment.
- ***Restricted for Fire Trucks***—Represents funds that have been restricted for the future purchase of fire trucks.
- ***Restricted for Fire Equipment***—Represents funds that have been legally restricted for the future purchase of fire equipment.
- ***Restricted for LOSAP***—Represents monies, \$3,193,696, held in trust for the administration of the Village’s LOSAP.

In the fund financial statements, commitments are amounts that are subject to a purpose constraint imposed by a formal action of the Village’s highest level of decision-making authority. At May 31, 2021, the Village reported no committed fund balance.

The Village Board authorizes the Clerk-Treasurer to make a determination of the assigned amounts of fund balance. Assigned funds represent amounts intended to be used for a specific purpose. In the fund financial statements, assignments by the Village at May 31, 2021 are shown on the following page.

	General Fund	Water Fund	Sewer Fund	Total Governmental Funds
Encumbrances	\$ 23,723	\$ -	\$ -	\$ 23,723
Subsequent year's expenditures	200,000	13,674	200,000	413,674
Youth and recreation	7,719	-	-	7,719
Trees	10,368	-	-	10,368
Village Hall expenditures	215,947	-	-	215,947
Historical properties	37,530	-	-	37,530
Parks	319,269	-	-	319,269
Department of public works	500,122	-	-	500,122
Beautification	12,163	-	-	12,163
Specific use	-	6,460	881,135	887,595
Total	<u>\$ 1,326,841</u>	<u>\$ 20,134</u>	<u>\$ 1,081,135</u>	<u>\$ 2,428,110</u>

- **Assigned to Encumbrances**—Represents amounts related to unperformed (executory) contracts for goods and services.
- **Assigned to Subsequent Year's Expenditures**—Represents available fund balance being appropriated to meet expenditure requirements in the 2021-2022 budget.
- **Assigned to Youth and Recreation**—Represents available fund balance being appropriated to meet Youth and Recreation program expenditures.
- **Assigned to Trees**—Represents available fund balance being appropriated to meet expenditures for replacement tree requirements.
- **Assigned to Village Hall Expenditures**—Represents available fund balance being appropriated to meet expenditures for Village Hall improvements.
- **Assigned to Historical Properties**—Represents available fund balance being appropriated for Meeting House improvements and events.
- **Assigned to Parks**—Represents available fund balance being appropriated to meet expenditures for park improvements.
- **Assigned to Department of Public Works**—Represents available fund balance being appropriated to meet expenditures for the Department of Public Works.
- **Assigned to Beautification**—Represents available fund balance being appropriated to meet expenditure requirements for Village beautification.
- **Assigned to Specific Use**—Represents remaining fund balance within special revenue funds that is assigned for each fund's specific purpose.

If the Village must use funds for emergency expenditures the Board shall authorize the Clerk-Treasurer to expend funds first from funds classified as nonspendable (if funds become available) then restricted funds. The use of committed and assigned funds will occur after the exhaustion of available restricted funds. Finally, if no other fund balances are available, the Village will use unassigned fund balance.

12. INTERFUND BALANCES AND ACTIVITY

Interfund receivables and payables are short-term in nature and exist because of temporary advances or payments made on behalf of other funds. The outstanding balances between funds result from payments made on behalf of other funds or temporary advances. The composition of interfund balances as of May 31, 2021 is as follows:

Fund	Interfund	
	Receivables	Payables
General Fund	\$ 1,372,834	\$ 389,371
Community Development Fund	-	22,608
Water Fund	-	150,000
Sewer Fund	67,229	110
Capital Projects Fund	324,982	1,202,956
Total	<u>\$ 1,765,045</u>	<u>\$ 1,765,045</u>

At May 31, 2021, a long-term interfund receivable within the General Fund and due from the Water Fund of \$150,000 was outstanding and was not anticipated to be repaid within a year. The Village has reported this balance as nonspendable fund balance within the General Fund and plans to continue to pay back a portion of the funds during the year ended May 31, 2022. All other balances are expected to be collected/paid within the subsequent year.

Transfers are used primarily to move amounts to fulfill commitments to finance various capital projects, to pay down on outstanding debt or to transfer revenue to support community development expenditures.

The Village made the following transfers during the year ended May 31, 2021:

Fund	Transfers in:			Total
	General Fund	Debt Service Fund	Capital Projects Fund	
Transfers out:				
General Fund	\$ -	\$ 501,805	\$ 308,923	\$ 810,728
Community Development Fund	66,861	-	-	66,861
Water Fund	-	97,340	-	97,340
Sewer Fund	-	106,049	-	106,049
Total	<u>\$ 66,861</u>	<u>\$ 705,194</u>	<u>\$ 308,923</u>	<u>\$ 1,080,978</u>

13. LABOR RELATIONS

Village employees are represented by one bargaining unit, with the balance governed by Village Board rules and regulations. The bargaining unit operates under a negotiated contract that expired on May 31, 2020. However, a memorandum of agreement was negotiated, which resulted in a 2.0% wage increase, effective June 1, 2020.

14. COMMITMENTS

Encumbrances—Encumbrances are commitments related to unperformed (executor) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expended in the next year) and re-appropriated and become part of the subsequent year’s budget pursuant to state regulations.

The Village considers encumbrances to be significant for amounts that are encumbered in excess of \$50,000. As of May 31, 2021, the Village reported no significant encumbrances.

15. TAX ABATEMENTS

The Village is subject to tax abatements granted by the Town of Amherst Industrial Development Agency (the “IDA”). These programs have the stated purpose of increasing business activity and employment in the region. Economic development agreements are entered into by the IDA and include the abatement of state, county, local and school district taxes, in addition to other assistance. In the case of the Village, the abatements have resulted in reductions of property taxes, which the Village administers as a temporary reduction in the assessed value of the property involved. The abatement agreements stipulate a percentage reduction of property taxes, which can be as much as 100 percent. Under the agreements entered into by IDA, the Village collected \$20,321 during 2021 in payments in lieu of taxes (“PILOT”), these collections were made in lieu of \$25,325 in property taxes.

16. CONTINGENCIES

Litigation—The Village is involved in litigation in the ordinary course of its operations. Various legal actions are pending against the Village. The Village believes that its ultimate liability, if any, in connection with these matters will not have a material effect on the Village’s financial condition or results of operation.

Grants—In the normal course of operations, the Village receives grant funds from various Federal and State agencies. These grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any disallowed expenditures resulting from such audits could become a liability of the governmental funds. While the amount of expenditures, if any, which may be disallowed cannot be determined at this time, management expects any amounts to be immaterial.

17. JOINT VENTURE

The Village and Town of Amherst jointly own the Glen Park. The venture operates under the terms of an agreement dated July 11, 1977 and amended September 2, 1980. Significant provisions of the agreement are as follows:

The Boards of each municipality jointly act as the governing body for the joint venture. The Village and Town have created a Glen Park Joint Board to make studies and advise the Village and Town on the development and maintenance of the Park. Neither the Village nor the Town shall take any action with respect to Glen Park without submitting the matter to the Glen Park Joint Board for recommendation.

The Village and Town share equally in all expenses of development and maintenance of Glen Park. Such contribution is determined on an annual basis. The joint venture has not accumulated significant surpluses or deficits. The following is a summary of the balance sheet:

Total assets	\$ 77,017
Total liabilities	\$ 2,401
Fund balance	\$ 74,616

The Treasurer of the Village has custody of all monies appropriated by the Village and the Town, and the Town pays over to the Village Treasurer the total sum appropriated by the Town as its share of park maintenance on or about the 1st of June each year.

The joint venture's financial statements can be obtained from the Village Administrator's office at 5565 Main Street, Williamsville, New York 14221.

18. SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 1, 2021, which is the date the financial statements are available for issuance, and have determined there are no subsequent events, with the exception of the matter disclosed below, that require disclosure under generally accepted accounting principles.

On October 21, 2021, the Village issued \$697,500 of serial bonds. The bonds carry an interest rate ranging between 1.25% and 1.75% and mature on June 15, 2032.

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REQUIRED SUPPLEMENTARY INFORMATION

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VILLAGE OF WILLIAMSVILLE, NEW YORK
Schedule of the Village's Proportionate Share of the
Net Pension Liability—Employees' Retirement System
Last Eight Fiscal Years*

	Year Ended May 31,							
	2021	2020	2019	2018	2017	2016	2015	2014
Measurement date	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Village's proportion of the net pension liability	0.0031675%	0.0029369%	0.0031268%	0.0032130%	0.0031451%	0.0033080%	0.0035014%	0.0035014%
Village's proportionate share of the net pension liability	<u>\$ 3,154</u>	<u>\$ 777,703</u>	<u>\$ 221,546</u>	<u>\$ 103,697</u>	<u>\$ 295,522</u>	<u>\$ 530,936</u>	<u>\$ 118,285</u>	<u>\$ 158,222</u>
Village's covered payroll	\$ 979,591	\$ 956,735	\$ 873,414	\$ 899,620	\$ 894,599	\$ 845,231	\$ 843,298	\$ 829,378
Village's proportionate share of the net pension liability as a percentage of its covered payroll	0.3%	81.3%	25.4%	11.5%	33.0%	62.8%	14.0%	19.1%
Plan fiduciary net position as a percentage of the total pension liability	100.0%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%	97.2%

*Information prior to the year ended May 31, 2014 is not available.

VILLAGE OF WILLIAMSVILLE, NEW YORK
Schedule of the Village's Contributions—
Employees' Retirement System
Last Eight Fiscal Years*

	Year Ended May 31,							
	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contributions	\$ 120,627	\$ 113,139	\$ 117,939	\$ 117,720	\$ 113,700	\$ 136,456	\$ 166,041	\$ 133,371
Contributions in relation to the contractually required contribution	(120,627)	(113,139)	(117,939)	(117,720)	(113,700)	(136,456)	(166,041)	(133,371)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Village's covered payroll	\$ 979,669	\$ 958,857	\$ 889,884	\$ 922,980	\$ 898,123	\$ 853,460	\$ 843,622	\$ 831,700
Contributions as a percentage of covered payroll	12.3%	11.8%	13.3%	12.8%	12.7%	16.0%	19.7%	16.0%

*Information prior to the year ended May 31, 2014 is not available.

VILLAGE OF WILLIAMSVILLE, NEW YORK
Schedule of Changes in the Village's Total
Pension Liability—LOSAP
Last Four Fiscal Years*

Total Pension Liability	2021	2020	2019	2018
Service cost	\$ 54,620	\$ 50,457	\$ 63,016	\$ 57,730
Interest	135,292	140,979	128,075	135,783
Changes of assumptions or other inputs	872,105	192,485	(244,292)	280,079
Differences between expected and actual experience	272,810	84,211	76,596	90,592
Benefit payments	(200,880)	(189,700)	(191,877)	(160,880)
Net change in total pension liability	<u>1,133,947</u>	<u>278,432</u>	<u>(168,482)</u>	<u>403,304</u>
Total pension liability—beginning	<u>4,195,875</u>	<u>3,917,443</u>	<u>4,085,925</u>	<u>3,682,621</u>
Total pension liability—ending	<u>\$ 5,329,822</u>	<u>\$ 4,195,875</u>	<u>\$ 3,917,443</u>	<u>\$ 4,085,925</u>
Covered-employee payroll	N/A	N/A	N/A	N/A
Total pension liability as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A

*Information prior to the year ended May 31, 2018 is not available.

The notes to the required supplementary information is an integral part of this schedule.

VILLAGE OF WILLIAMSVILLE, NEW YORK
Schedule of Revenues, Expenditures, and Changes in
Fund Balances—Budget and Actual—General Fund
Year Ended May 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u> <u>Budget</u>
REVENUES				
Real property taxes	\$ 2,343,660	\$ 2,345,374	\$ 2,345,391	\$ 17
Real property tax items	32,214	30,500	35,826	5,326
Non property tax items	933,000	933,000	1,063,063	130,063
Departmental income	98,800	98,800	211,318	112,518
Intergovernmental charges	340,000	354,896	392,481	37,585
Use of money and property	1,000	1,000	165	(835)
Licenses and permits	40,500	40,500	24,840	(15,660)
Fines and forfeitures	67,500	67,500	24,946	(42,554)
Sale of property and compensation for loss	1,500	92,668	93,964	1,296
Miscellaneous	59,456	71,956	807,836	735,880
State aid	144,355	440,744	780,331	339,587
Federal aid	-	17,713	17,714	1
Total revenues	<u>4,061,985</u>	<u>4,494,651</u>	<u>5,797,875</u>	<u>1,303,224</u>
EXPENDITURES				
Current:				
General government support	921,318	974,602	823,936	150,666
Public safety	779,162	995,388	849,020	146,368
Transportation	479,226	486,206	391,646	94,560
Economic assistance and opportunity	67,553	69,375	68,013	1,362
Culture and recreation	345,327	551,938	407,263	144,675
Home and community services	659,981	661,643	623,559	38,084
Employee benefits	<u>456,003</u>	<u>465,080</u>	<u>380,760</u>	<u>84,320</u>
Total expenditures	<u>3,708,570</u>	<u>4,204,232</u>	<u>3,544,197</u>	<u>660,035</u>
Excess of revenues over expenditures	<u>353,415</u>	<u>290,419</u>	<u>2,253,678</u>	<u>1,963,259</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	66,861	66,861	-
Transfers out	<u>(594,161)</u>	<u>(814,620)</u>	<u>(810,728)</u>	<u>3,892</u>
Total other financing sources (uses)	<u>(594,161)</u>	<u>(747,759)</u>	<u>(743,867)</u>	<u>3,892</u>
Net change in fund balances*	(240,746)	(457,340)	1,509,811	1,967,151
Fund balances—beginning, as restated	<u>4,733,802</u>	<u>4,733,802</u>	<u>4,733,802</u>	<u>-</u>
Fund balances—ending	<u>\$ 4,493,056</u>	<u>\$ 4,276,462</u>	<u>\$ 6,243,613</u>	<u>\$ 1,967,151</u>

* The net change in fund balances was included in the budget as an appropriation (i.e. spenddown) of fund balance and re-appropriation of prior year encumbrances.

The notes to the required supplementary information are an integral part of this schedule.

VILLAGE OF WILLIAMSVILLE, NEW YORK
Schedule of Revenues, Expenditures, and Changes in
Fund Balances—Budget and Actual—Water Fund
Year Ended May 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Departmental income	\$ 276,000	\$ 276,000	\$ 273,383	\$ (2,617)
Use of money and property	<u>-</u>	<u>-</u>	<u>7</u>	<u>7</u>
Total revenues	<u>276,000</u>	<u>276,000</u>	<u>273,390</u>	<u>(2,610)</u>
EXPENDITURES				
Current:				
Home and community service	<u>190,923</u>	<u>190,923</u>	<u>190,922</u>	<u>1</u>
Total expenditures	<u>190,923</u>	<u>190,923</u>	<u>190,922</u>	<u>1</u>
Excess of revenues over expenditures	<u>85,077</u>	<u>85,077</u>	<u>82,468</u>	<u>(2,609)</u>
OTHER FINANCING USES				
Transfers out	<u>(97,340)</u>	<u>(97,340)</u>	<u>(97,340)</u>	<u>-</u>
Total other financing uses	<u>(97,340)</u>	<u>(97,340)</u>	<u>(97,340)</u>	<u>-</u>
Net change in fund balances *	(12,263)	(12,263)	(14,872)	(2,609)
Fund balances—beginning	<u>35,006</u>	<u>35,006</u>	<u>35,006</u>	<u>-</u>
Fund balances—ending	<u>\$ 22,743</u>	<u>\$ 22,743</u>	<u>\$ 20,134</u>	<u>\$ (2,609)</u>

* The net change in fund balances was included in the budget as an appropriation (i.e. spenddown) of fund balance.

The notes to the required supplementary information are an integral part of this schedule.

VILLAGE OF WILLIAMSVILLE, NEW YORK
Schedule of Revenues, Expenditures, and Changes in
Fund Balances—Budget and Actual—Sewer Fund
Year Ended May 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u>
				<u>Budget</u>
REVENUES				
Real property taxes	\$ 21	\$ 21	\$ 22	\$ 1
Departmental income	1,152,334	1,152,334	1,154,871	2,537
Use of money and property	500	500	87	(413)
Miscellaneous	<u>-</u>	<u>-</u>	<u>47,390</u>	<u>47,390</u>
Total revenues	<u>1,152,855</u>	<u>1,152,855</u>	<u>1,202,370</u>	<u>49,515</u>
EXPENDITURES				
Current:				
General government support	84,125	84,125	35,215	48,910
Home and community services	1,094,524	1,094,524	798,835	295,689
Employee benefits	<u>68,157</u>	<u>68,157</u>	<u>60,077</u>	<u>8,080</u>
Total expenditures	<u>1,246,806</u>	<u>1,246,806</u>	<u>894,127</u>	<u>352,679</u>
Excess of revenues over expenditures	<u>(93,951)</u>	<u>(93,951)</u>	<u>308,243</u>	<u>402,194</u>
OTHER FINANCING USES				
Transfers out	<u>(106,049)</u>	<u>(106,049)</u>	<u>(106,049)</u>	<u>-</u>
Total other financing uses	<u>(106,049)</u>	<u>(106,049)</u>	<u>(106,049)</u>	<u>-</u>
Net change in fund balances*	(200,000)	(200,000)	202,194	402,194
Fund balances—beginning	<u>880,976</u>	<u>880,976</u>	<u>880,976</u>	<u>-</u>
Fund balances—ending	<u>\$ 680,976</u>	<u>\$ 680,976</u>	<u>\$ 1,083,170</u>	<u>\$ 402,194</u>

*The net change in fund balances was included in the budget as an appropriation (i.e. spenddown) of fund balance.

The notes to the required supplementary information are an integral part of this schedule.

VILLAGE OF WILLIAMSVILLE, NEW YORK
Notes to the Required Supplementary Information
Year Ended May 31, 2021

1. PENSION LIABILITY—LOSAP

Changes of Assumptions or Other Inputs—The discount rate used to measure the total pension liability was based on the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index and was as follows:

December 31, 2019	3.26%
December 31, 2020	1.93%

Trust Assets—There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 73 to pay related benefits.

2. BUDGETARY INFORMATION

Budgetary Basis of Accounting—Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, Water Fund, Sewer Fund and Debt Service Fund. The Capital Projects Fund appropriations are not included in the Village’s annual budget. Instead, appropriations are approved through Board resolution at the projects inception and lapse at upon termination of the project. The Community Development Fund does not have an appropriated budget since other means control the use of these resources (e.g., grant awards), and sometimes span a period of more than one fiscal year. The funds are accepted by Board resolution and appropriations lapse upon fully expending such funds.

The appropriated budget is prepared by fund, function, and department. Transfers of appropriations require the approval of the Village Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the departmental level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriation and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executor contract is expected in the next year) are re-appropriated and become part of the subsequent year’s budget pursuant to state regulations.

SUPPLEMENTARY INFORMATION

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VILLAGE OF WILLIAMSVILLE, NEW YORK
Combining Balance Sheet—Capital Projects Fund
May 31, 2021

	<u>Equipment</u>	<u>Spring Street</u>	<u>South Long Street</u>	<u>Picture Main Street</u>	<u>Local Water Revitalization Project</u>	<u>Mid-Block Crossing - Mill Street</u>	<u>2020 Roadwork</u>	<u>S. Cayuga/Milton 3 - Way Crossing</u>	<u>Lehigh Valley Section House</u>	<u>2021 Road Reconstruction</u>	<u>Total</u>
ASSETS											
Restricted cash and cash equivalents	\$ 1,949	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,949
Due from other funds	2,464	322,518	-	-	-	-	-	-	-	-	324,982
Total assets	<u>\$ 4,413</u>	<u>\$ 322,518</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 326,931</u>
LIABILITIES											
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 640	\$ 3,398	\$ -	\$ 3,674	\$ 7,712
Due to other funds	107,258	3,734	126,459	571,869	14,030	50,000	318,712	7,608	3,160	126	1,202,956
Total liabilities	<u>107,258</u>	<u>3,734</u>	<u>126,459</u>	<u>571,869</u>	<u>14,030</u>	<u>50,000</u>	<u>319,352</u>	<u>11,006</u>	<u>3,160</u>	<u>3,800</u>	<u>1,210,668</u>
FUND BALANCES (DEFICITS)											
Assigned/(Unassigned)	(102,845)	318,784	(126,459)	(571,869)	(14,030)	(50,000)	(319,352)	(11,006)	(3,160)	(3,800)	(883,737)
Total fund balances (deficits)	<u>(102,845)</u>	<u>318,784</u>	<u>(126,459)</u>	<u>(571,869)</u>	<u>(14,030)</u>	<u>(50,000)</u>	<u>(319,352)</u>	<u>(11,006)</u>	<u>(3,160)</u>	<u>(3,800)</u>	<u>(883,737)</u>
Total liabilities and fund balances (deficits)	<u>\$ 4,413</u>	<u>\$ 322,518</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 326,931</u>

VILLAGE OF WILLIAMSVILLE, NEW YORK
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances (Deficits)—Capital Projects Fund
Year Ended May 31, 2021

	<u>Equipment</u>	<u>Spring Street</u>	<u>South Long Street</u>	<u>Picture Main Street</u>	<u>Local Water Revitalization Project</u>	<u>Mid-Block Crossing - Mill Street</u>	<u>2020 Roadwork</u>	<u>S. Cayuga/Milton 3 - Way Crossing</u>	<u>Lehigh Valley Section House</u>	<u>2021 Road Reconstruction</u>	<u>Total</u>
REVENUES											
State aid	\$ -	\$ -	\$ -	\$ -	\$ 18,415	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,415
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,415</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,415</u>
EXPENDITURES											
Capital outlay	179,103	-	-	-	5,652	6,411	435,941	13,282	3,160	3,800	647,349
Total expenditures	<u>179,103</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,652</u>	<u>6,411</u>	<u>435,941</u>	<u>13,282</u>	<u>3,160</u>	<u>3,800</u>	<u>647,349</u>
Excess (deficiency) of revenues over expenditures	<u>(179,103)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,763</u>	<u>(6,411)</u>	<u>(435,941)</u>	<u>(13,282)</u>	<u>(3,160)</u>	<u>(3,800)</u>	<u>(628,934)</u>
OTHER FINANCING SOURCES											
Transfers in	71,845	-	109,018	-	-	9,111	118,949	-	-	-	308,923
Total other financing sources	<u>71,845</u>	<u>-</u>	<u>109,018</u>	<u>-</u>	<u>-</u>	<u>9,111</u>	<u>118,949</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>308,923</u>
Net change in fund balances (deficits)	<u>(107,258)</u>	<u>-</u>	<u>109,018</u>	<u>-</u>	<u>12,763</u>	<u>2,700</u>	<u>(316,992)</u>	<u>(13,282)</u>	<u>(3,160)</u>	<u>(3,800)</u>	<u>(320,011)</u>
Fund balances (deficits)—beginning	4,413	318,784	(235,477)	(571,869)	(26,793)	(52,700)	(2,360)	2,276	-	-	(563,726)
Fund balances (deficits)—ending	<u>\$ (102,845)</u>	<u>\$ 318,784</u>	<u>\$ (126,459)</u>	<u>\$ (571,869)</u>	<u>\$ (14,030)</u>	<u>\$ (50,000)</u>	<u>\$ (319,352)</u>	<u>\$ (11,006)</u>	<u>\$ (3,160)</u>	<u>\$ (3,800)</u>	<u>\$ (883,737)</u>

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Certified Public Accountants

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Honorable Board of Trustees
Village of Williamsville, New York:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, and each major fund of the Village of Williamsville, New York (the "Village") as of and for the year ended May 31, 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated November 1, 2021 (which report includes an emphasis of matter paragraph regarding the implementation of Governmental Accounting Standards Board ("GASB") Statement No. 84, *Fiduciary Activities*).

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Drescher & Malecki LLP

November 1, 2021